

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 27, 2007

TO: Honorable Robert Puente, Chair, House Committee on Natural Resources

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB3773 by Puente (Relating to the provision of water service to an area of land on release of the land from the certificate of public convenience and necessity of a rural water supply corporation.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend Chapter 65, Water Code, to require a municipality to provide water service to certain land areas for which, on or before the effective date of the bill, the owner or owners of the land have entered into a written agreement with a rural water supply corporation to release the land from the service area of the corporation's certificate of public convenience and necessity. The bill provides for steps required of a municipality if it cannot meet the current and projected demands for water service to the released land within the time specified by the land's owner(s), including creation of a district to provide water service.

The Texas Commission on Environmental Quality (TCEQ) would be required to expedite the creation of the district and to approve the creation not later than the 90th day after the agency receives an administratively complete petition to create the district.

The bill would take effect immediately if it were to receive the required two-thirds vote in each house; otherwise, it would take effect September 1, 2007. The section added to Chapter 65 by provisions of the bill would expire September 1, 2011.

TCEQ reports that the agency would have to propose and adopt rules to implement the bill's provisions, which would be accomplished within existing resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 582 Commission on Environmental Quality

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